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## ADDRESS IN REPLY TO HIS MAJESTY'S MOST GRACIOUS SPEECH.

*HL Deb 14 September 1948 vol 158 cc2-43*

*The King's Speech reported by The LORD CHANCELLOR.*

*2.37 p.m.*

LORD SHEPHERD My Lords, I beg to move that an humble Address be presented to His Majesty as followeth:

"Most Gracious Sovereign—We, Your Majesty's most dutiful and loyal subjects, the Lords Spiritual and Temporal of the United Kingdom of Great Britain and Northern Ireland, in Parliament assembled, beg leave to thank Your Majesty for the most gracious Speech which Your Majesty has addressed to both Houses of Parliament."

It is not merely a privilege to move this Motion; it is a very great honour and I appreciate it to the full. I can imagine that there have been times when a speech such as I am going to deliver would have afforded great pleasure to the speaker; but, judging by the number of expressions of sympathy that I have met with this morning, there is a feeling that on the present occasion it is more of a duty than of a pleasure. I am in considerable trouble. His Majesty's Opposition have a main charge against the Bill which will shortly come before your Lordships. It is that the Government have gone out of their way gratuitously to throw into the arena at a most difficult time a proposal to curtail the powers of your Lordships' House. If I were to attempt to discuss that matter, I should find myself in difficulty, because I have been solemnly warned that, whatever else I am during this speech, I must not be controversial. But notwithstanding that, I want to talk about the powers of your Lordships' House, and, with your help, I hope I may be able to do so without causing undue strife. I will make a ring round the subject, and will approach it most gently.

In 1832 it was proposed by the Government of the day that there should be a serious attempt to reform the franchises and to reform the membership of the House of Commons. The introduction of a Bill to that end created a great deal of strife. Not only were there difficulties in the House of Commons itself, but when the measure came before your Lordships' House it was on two occasions thrown out. As your Lordships will know, the Government of the day resigned and the Opposition were called in to form a new Government. The difficulties created, however, were so enormous that the Opposition refused office and the Grey Administration had once more to take over. His Majesty King William made a promise—namely, that if it were necessary he would approve of the creation of a sufficient number of Peers to carry the Bill through the House of Lords. The measure was of some importance. It is true that it did not extend the franchises very far, but it did wipe out the boroughs, sometimes unpopulated boroughs, usually known as "rotten boroughs," and very greatly changed the representation that subsequently found its way to the House of Commons.

My Lords, I have mentioned that fact in the first place because it indicates that there have been changes in our Constitution in the past; and those changes in the Constitution, if they did shake the Parties of the day considerably, did not finally damage the interests of the people of this country. The House of Commons was not the same afterwards. Its members gained a large measure of independence and, in gaining that independence, they have continued to help to strengthen the country and its interests at home and abroad.

There is a second fact that I should like to mention in approaching this delicate subject of powers, and that is the Reform Act of the year 1867. In 1866 a Liberal Government had attempted to deal with the subject of the

Parliamentary franchise, but owing to dissensions within the Party they failed; and the Government resigned. A Conservative Administration followed, without going through an Election, and that remarkable leader of the Conservative Party, Disraeli, became Leader of the House of Commons. In 1867 he made several attempts to persuade the powers-that-be in that Chamber as to the correct form of an extension of the franchise, and ultimately succeeded by taking from John Bright a golden phrase: "household suffrage." But Disraeli was confronted with certain troubles. If there was to be a household franchise, should it be given to all householders, or should it be given only to those who paid their rates direct to the authorities? There was, of course, a great deal of difference between the two—the difference between 400,000 new electors, on the one hand, and 1,000,000, on the other. An Amendment to the measure was moved because the Bill proposed only the smaller extension of the franchise; but, to everybody's astonishment, Disraeli, without too much consultation amongst his friends, accepted the Amendment.

The Bill eventually came to your Lordships' House. It was a Bill put forward by a Conservative leader. It is not always true to say, or it has not always been true to say, that this House does not interfere with Bills put forward by Conservative interests. This, indeed, was one in which it did. The House of Lords of the day decided that the franchise should be restricted to those householders who paid their rates direct, and the Bill went back to the House of Commons. Disraeli stood his ground, insisted upon the full franchise; and their Lordships gave way. The House of Commons has not been the same assembly since. It received its first infiltration of a great democratic movement, the forerunner of the great Labour Party that we see around us to-day.

Let me take one last illustration from those olden days, this time from the year 1884, with Mr. Gladstone as Chancellor of the Exchequer in charge of the House of Commons. He introduced a Bill the effect of which would be to enfranchise householders in the counties in the same way that men had been enfranchised in the towns. The Bill passed through the House of Commons. It came to your Lordships' House, and noble Lords refused it a Second Reading, demanding, in a reasoned Amendment, a redistribution of seats. An accommodation was reached; the Bill of 1884 was allowed to pass, and 1885 saw the Redistribution of Seats Act. By that measure 3,500,000 workers in the counties were admitted to the franchise, and the franchises of which I have spoken continued in operation until the Reform Act of 1918, well within our own time. They were in operation at the time of the Liberal triumph in 1906. They were in operation at the time of the Parliament Act of 1911. The last Register to be published under this franchise was in 1915, when the total electorate of Great Britain was 8,500,000. I have mentioned those facts because I want to show that up to that stage, broad though the franchise for election to Parliament became, the number of persons really enfranchised was only one in three of the adult population. The Liberal Parliament of 1906 represented a minority of the population.

I am not going to be unduly long this afternoon, but before I bring the story up to 1945 I should like your Lordships' permission to say a word about the Parliament Act of 1911. I hope that I shall not be regarded as being unduly controversial if I refer to the impression that is getting about that the Act of that year was a kind of Order of Merit, with Letters Patent giving power in perpetuity to the House of Lords. In reality that was not the case at all; it was a mark of disapproval because of the activities of your Lordships' House during the preceding years.

If your Lordships will permit me, I would like to quote a passage from an article written by the noble and learned Viscount, Lord Simon, in the last edition of the Sunday Times. I will allow him to describe the activities of your Lordships' House leading up to the Parliament Act of 1911: "The Liberal Government formed in December, 1905, was, by common consent, one of the strongest in personnel of our history. And it was supported by a vast majority in the Commons. Yet in the four years, 1906–1909, almost every controversial Government measure of the first importance, though passed by large majorities in the Commons, was massacred by the House of Lords, through the exercise of its then unrestricted veto. And finally, to this catalogue of destruction was added the crowning rejection of the Finance Bill of 1909...." The 1911 Parliament Act, as your Lordships are well aware, swept away the veto and put in its place the suspensory power that remains to-day. If the Act of 1911 had done no more than that, the probability is

that we should not be discussing this measure now, because it would have been a suspensory power within a Parliamentary period of seven and not of five years. The 1911 Act reduced the extent of a Parliament's life from seven to five years, so that the suspensory power exercised by your Lordships' House is very great indeed, and affects in many ways the government of the country.

To conclude this part of the speech, let me remind your Lordships of the Reform Act of 1918, which brought the electorate of this country up to 22,000,000. May I also remind you of the Reform Act of 1928, which extended votes for women to those who were 21 years of age and brought the electorate of this country up to nearly 30,000,000, and, further, that at the time of the General Election in 1945 the electorate numbered 33,000,000? All I want to suggest about the power of veto or suspension is this: that, whatever claim there may have been in past days for your Lordships' House to exercise the power of veto, or even of suspension, because of the partial character of the representation in the House of Commons, surely the great growth of the electorate, which now embraces the whole manhood and womanhood of our nation, gives to the House of Commons a representation authority possessed by no previous Chamber.

I want to speak of only one other matter, because time is getting short. I refer to the subject of control. I will try to deal with this subject without trespassing upon the ground already covered in many speeches in your Lordships' House. It is supposed that if your Lordships' House lose their suspensory power, the House of Commons will be perfectly free to do as they like. I believe that thought to be entirely wrong; it overlooks the changes which have occurred in the community coincident with the rise in the electorate. In the days of 1832 the political Parties of Great Britain were very "poor shows" indeed. They were nearly always of a purely local character, and their combination at the centre scarcely existed. During the last forty, fifty or sixty years, as the electorate has increased, the Conservative Party, the Liberal Party and the Labour Party have grown enormously, both in power and influence. They have their organisation and machinery in every town and hamlet of Great Britain, and you may depend upon it that whatever change of view takes place, either in the House of Commons or in this Chamber, whatever twist or turn a Government may make, it is noticed even in the most far-flung places. Discussions take place; opinions are formed; the population become armed with the facts; and Members of Parliament who go to these places can no longer rely on the soothing syrup of previous days. They have to state their case; they have to answer questions; they have to face the possible wrath of the electors.

Your Lordships need not be surprised that this side of the matter is ever present with me. I have been brought up in a great political Party. I look upon Parties as institutions of real strength to a democratic community. If to-day democracy in Great Britain stands sturdier than it does in any other country in the world, it is largely due to the Parties that I have mentioned and to the work that they have been able to perform. I therefore suggest to your Lordships—and with this I have finished—first, that the time has gone when this House can hold the House of Commons in strings, even if those strings are of a suspensory character only. I can assure you that if controls are necessary for the House of Commons they already exist in our midst, and we should do all we can to cultivate them, to encourage them, and to build them up. I beg to move.

*Moved, That an humble Address be presented to His Majesty as followeth—*

*"Most Gracious Sovereign—We, Your Majesty's most dutiful and loyal subjects, the Lords Spiritual and Temporal of the United Kingdom of Great Britain and Northern Ireland, in Parliament assembled, beg leave to thank Your Majesty for the most gracious Speech which Your Majesty has addressed to both Houses of Parliament."—(Lord Shepherd.)*

3.2 p.m.

LORD KERSHAW My Lords, I beg leave to second the Motion so ably moved by my noble friend. He speaks with an authority which I would not dare to claim and which I certainly could not emulate. In the light of time—of the

centuries which lie behind our Parliamentary institutions—I have been a member of your Lordships' House for but a moment, and yet in that brief time I have seen that, except on rare occasions and usually on subjects relatively unimportant, your Lordships are actuated by the single desire to contribute to the good government of the country, regardless of Party politics. I doubt whether any other State in this distracted world has at its disposal such a wealth of wisdom and expert knowledge, and, if I might be allowed to say so, such pure patriotism as is manifested during the debates in this House. I think I may have said before that, while I have tried to serve my day and generation in such ways as have been open to me, for the most part over the many years to which I am referring my work has not been in the public eye. Therefore I claim, with due modesty, that I, like others, entered your Lordships' House as typical of the ordinary citizen who takes an intelligent interest in men and affairs.

As my noble friend has mentioned, I understand that we are expected to-day to display two great virtues—one, to be brief, and the other to be not too controversial. As to the first, I am sure that your Lordships, with your customary courtesy, will acquit me of ever having tried your patience on the floor of this House. As to the second, I propose to do no more than to express my own feelings, conscientiously held, on the subject which has brought us together at this time. My noble friend has dealt in a most able manner with the historical background of this subject. For my part and for my purpose, I have not thought it necessary to go back into history at all. I have not even thought it necessary to look up the provisions of the Parliament Act of 1911, or the considerations which led to that Act being passed. We are living in a very different world from that of 1911, a world full of complexities and anxieties which were undreamt of in those days. I have not even read the reports of the debates which took place in this House and in another place on the Bill that we shall be considering later in this Session. I have thought it better to look at the facts as they exist at the moment. Everyone appears to be agreed that the present composition of your Lordships' House is indefensible, and I do not feel that one need pursue that phase of the subject very far. I would remind your Lordships, however, that the position in which we find ourselves today has been brought about by the existence of this admittedly out-of-date Constitution, and that, in the words of his Majesty's most gracious Speech: "there was disagreement between the two Houses last Session." I feel sure that members of your Lordships' House, many of whom have spent years in the political arena, not only in the sedate atmosphere of this House but also in the less sedate atmosphere of another place, on whichever Benches they may sit, cannot appreciate the feelings of those of us who have not been accustomed to the "rough and tumble" of political life when we see the political machine at work in this Chamber. Whether it be while listening to the courteous, persuasive powers of the noble Marquess, the Leader of the Opposition, whom we all love and respect, or the occasional simulated anger of the noble Viscount, Lord Swinton, which enlivens the sometimes dull proceedings of this House, always we feel that noble Lords opposite are ever conscious of the big battalions behind them. What is more, they know that the Front Bench on this side of the House are aware of the latent power which can be used against them, and must on occasion placate noble Lords opposite. We amateurs are intrigued sometimes at the suggestion that certain matters should be dealt with "through the usual channels." Because of the inevitability of the result of a Division in your Lordships' House, the actual taking of a Division, once decided upon, is a light-hearted affair. There is no tension. We all know beforehand what the result will be. Many years ago, a distinguished leader of the Tory Party used a phrase which stuck to him for some time. He said: "I am a child in these matters." In my innocence, I have often wondered why the Government of the day should not content itself by registering a token vote against the forces opposite which are ranged against us, a vote that, being a token vote, would represent the millions of people behind us in the country. Unless wiser counsels prevail, we shall this week or next go through the same performance again.

As an ordinary citizen, I am appalled at what seems to me to be an irrational and unnecessary disagreement between the two Houses: a mere matter as to whether this House—and, be it noted, this House as at present constituted—should have power to impose a nine months' or a twelve months' delay in the passage of Bills. I know, of course, that in the conversations that have been reported, the reform of the Constitution of the House was considered, but that does

not get away from the fact that the actual position in which we now find ourselves is due to the inordinate majority of noble Lords on the opposite Benches.

The representatives of the Liberal Party, with that statesmanship which I have witnessed with so much admiration during my short membership of your Lordships' House, consider that this difference of three months is a matter of minor importance. I have no doubt they feel as I feel, that when this issue is considered by the people, it will be not on the relative merits of nine or twelve months' delay but on the simple fact that a body of men, representative of no one but themselves, have thought fit to thwart the will of the elected representatives of the people. A matter of three months—in a world torn by dissension, suspicion and bloodshed, a world in which millions of our fellowmen are without hope, and many are in danger of famine! The man in the street and, one might say, the woman in the home are already fearful that another war is possible. They open their daily papers and read of a situation pregnant with danger in Europe, civil war in Greece, an uneasy truce in Palestine, tragedy and bloodshed in Burma and the Malayan States. "Movement of troops in India," says this morning's paper, with the ominous words "In the name of law and order"—a movement which might have most tragic consequences to the whole of the subcontinent of India and Pakistan. Civil war continues in China; and, nearer home, we are anxious about the unsettled state of political life in France.

At home we are enjoined to work harder and produce more in order to surmount the most serious economic condition with which this old country has ever been confronted and which, were it not for the unprecedented generosity of the United States of America, would have imposed on us by this very date a drastic reduction in our standard of living.

I feel that it is not unreasonable to suggest that if we were living in the calm and peaceful days of 1911, or in the earlier days mentioned by my noble friend, this disagreement between the two Houses would have become the prime topic of conversation everywhere, and attendance in this House to-day would have been far greater than it is. But men are thinking at this time of other and more serious things. And what of our Dominions and the Commonwealth as a whole? Is it at all likely that they will appreciate the finer points of this lamentable battle over a difference of three months in the delaying powers of this House? Do your Lordships not think it likely that the phrase, "fiddling while Rome burns" will arise in their minds? Are they not entitled to expect more from the Mother of Parliaments, that institution which throughout the darkest days of the war stood as a beacon light of hope for the whole world? Is it not true that many nations, some of which criticise us and appear unfriendly to us, still look for guidance and inspiration from this little island? And yet we may be quite sure that if this disagreement between the two Houses is persisted in, it will be distorted. We shall be misunderstood; and the effect on the world situation will be unhelpful, to say the least, and might have repercussions far beyond the confines of this Chamber.

For these reasons, my Lords, and there are many others, I appeal to the House to explore the possibility of resolving this disagreement. It may be—I do not know—that matters have gone too far for any such consultation. But if the door is not locked and bolted and barred, then, in the words of his gracious Majesty, let us ask the blessing of God on our counsels and, may I add, pray that this unhappy disagreement may be resolved and that we may again apply ourselves to the solution of the greater and manifold problems which beset our country and the world. I am grateful for your Lordships' patience and indulgence. I have tried not to be controversial. I feel that the times are much too serious for platitudes and sophistry. I hope that I have succeeded in conveying to your Lordships my own personal opinion. I emphasise that it is my personal opinion, but I profoundly believe it is the opinion that would be expressed by the ordinary citizen of our land. If in doing so I have in any way transgressed, I offer your Lordships my humble apologies. I beg to second the Motion.

*3.17 p.m.*

THE MARQUESS OF SALISBURY My Lords, before I come to the problem of the gracious Speech itself, I am sure that your Lordships will all wish me to congratulate the mover and seconder of the humble Address on the admirable way in which they have performed their tasks. They are both, comparatively speaking, newcomers to this House,

though the noble Lord, Lord Shepherd, I understand, is no newcomer to politics. For many years he was (if I may be allowed the mild pun) the "shepherd" of the Labour flock. He was principally responsible for the organisation of the Party, and I have no doubt that the last Election must have been a very proud occasion for him. I do not know whether he feels quite so happy now. In the course of time he has been translated, I will not say to a more exalted sphere but at any rate to a more remote one. No doubt in the past he has said hard things about your Lordships and about your Lordships' House, but I hope that now he has seen us at close quarters, he does not feel quite so badly about us. At any rate, he did not castigate us very severely to-day. The noble Lord has already made here a number of extremely thoughtful speeches, to which, in all parts of the House, we have listened with real interest. His remarks to-day, I am quite certain, are no exception to that rule.

The seconder of the Motion, the noble Lord, Lord Kershaw, comes here, as I understand from his speech, with rather a different experience, an experience of whole-hearted service to his fellow-countrymen in various spheres of our national life. He has always impressed me, and I think he has impressed all of your Lordships, since he has been in this House, with the deep sincerity of his outlook. He impressed us again by his charming speech this afternoon. He has won already our affection and our esteem, and I can assure him that always, as to-day, we will give close attention to anything that he says.

I am afraid that—as, indeed, the noble Lord, Lord Shepherd, himself said—both these noble Lords had a rather difficult task this afternoon. The problem that faces the mover and seconder of the Address is never an easy one, for they are expected, as Lord Shepherd pointed out, to make a non-controversial speech on the subject of the Party programme for the coming year, which is inevitably controversial. That requires a very delicate poise. Normally, there are some portions of the Speech which are uncontroversial, and there is, therefore, a certain area in which the mover and the seconder of the Address can manoeuvre with comparative safety. To-day, however, there is no such neutral ground. There is only one subject in the gracious Speech, and that is extremely controversial. Moreover, the present Speech is concerned only with forthcoming legislation, which, broadly speaking, by Parliamentary convention, is excluded from the debate on the Address, though perhaps inevitably it did creep in this afternoon. Parliamentary adroitness, therefore, of no mean order was required from both these noble Lords, and I think we must all congratulate them warmly on the skill with which they performed their task. They both acquitted themselves nobly, and they added sensibly to the reputations which they already enjoy in your Lordships' House.

I will now turn to the gracious Speech itself and to the circumstances which have led to the present meeting of Parliament. This, as we all know, is the second year in succession in which your Lordships' House has met in September. We all recall the circumstances of last year. Just before Parliament rose for the Summer Recess the Government introduced a measure, the Supplies and Services (Extended Purposes) Bill, which gave far-reaching powers to the Executive to introduce regulations capable of affecting nearly all aspects of our national life. Those regulations did not require the prior approval of Parliament. Your Lordships, rightly in my view, did not refuse those powers, which the Government said were necessary to enable them to help to restore the economic position of the country. It would have been an error on our part had we done so. But as Parliament was rising for three months, during which there would be no Parliamentary control over the actions of the Government, we thought it right to hold a special meeting of this House to ensure that the regulations—if, indeed, they were introduced—could be properly examined and debated. I do not think that anyone, looking at the matter objectively, could have rightly complained of our action on that occasion. After all, Parliament is, in a time-honoured phrase, the watch-dog of the nation, and one of our main functions is to keep proper control over the actions of the Executive.

As your Lordships remember, occasion was also taken to give the Government an opportunity to make a statement to the nation on the economic situation, though I am sorry to say that the Government did not see fit to take advantage of that opportunity. I do not say the Ministers themselves were very enthusiastic about the meeting of the House of Lords last year. It is a well-known illusion of all Administrations, I am afraid of all Parties, that they are the repository of all

wisdom and know much better than the people themselves what is good for them. But I do not think there is any doubt at all that public opinion approved of our action on that occasion, and the willingness of your Lordships to subordinate your own personal convenience to your national duty sensibly enhanced the reputation of this House.

How very different is the situation to-day, when for the second year in succession your Lordships' House finds itself again in Session. Last year, at any rate, we were met to consider the urgent affairs of the nation. This year the Government have not called Parliament together for any such object. So far as I know, they have volunteered no statement on the foreign position, or upon the economic position. If there are to be statements on those questions, as I hope there will be, it will be as a result of the insistence of the Opposition. We are called together, as the gracious Speech makes perfectly clear, for one single, limited purpose, to consider one measure only—and that a measure which can have no conceivable bearing upon our present distress. The Parliament Bill is not going to help bridge the gap between imports and exports; it is not going to improve our relations with Russia, except in so far as it may possibly be described as a step towards dictatorship. It is a purely political manoeuvre, brought in to appease the Left Wing of the Labour Party and fraught with danger to the community as a whole.

As I have already said, this is not an occasion to discuss the Parliament Bill in detail. It is a recognised convention of Parliamentary procedure that the debate on the Address is not concerned with forthcoming legislation. Moreover, there will be an opportunity for a very full discussion next week when the Parliament Bill comes before this House for its Second Reading. It is perfectly true—I suppose I ought to say just one word on this—that both Lord Shepherd and Lord Kershaw made certain observations on the subject of the Bill. I do not complain of that, because nobody can be expected to make bricks without straw. I would, however, say this, and it is the only reference I wish to make to their speeches which, as I say, should properly be answered on another occasion. In what he said, the noble Lord, Lord Shepherd, appeared, to me at least, to be facing the past, and not the present or the future. His speech was extremely interesting as history, but it had no relation at all to the present situation with which we are faced. The noble Lord, Lord Kershaw, I thought, was on the whole helpful to us. He made the remark that the present composition of your Lordships' House was indefensible. Well, why do the Government not alter its composition? It cannot be because it was on that point that the talks with the Government broke down, for the House knows full well that they did not break down on that point. The talks broke down upon the powers of your Lordships' House, and not upon its composition. If Lord Kershaw represents a large body in the Labour Party who think that the composition is indefensible. I would strongly recommend to the Government that they should reconsider the whole position.

My Lords, there is at any rate one merit which the present meeting of your Lordships' House has over that which we held last year. Then Parliament had not been prorogued; it had only been adjourned. It was possible for the Government—and they took advantage of it—to refuse to make any statement or to answer any questions. This year we have a new Session. The Government have taken the responsibility of calling Parliament together for this Session, which I personally would have thought was absolutely unnecessary. However, we have a new Session. A new Session means a new Speech from the Throne; a new Speech means a debate on the Address; and a debate on the Address is unlimited in scope—any subject can be discussed. The Government cannot prevent that. It is true that the gracious Speech does not give us much guidance, because it is confined to the Parliament Bill, and to the Parliament Bill alone. In normal years the general programme of the Government is sketched in the gracious Speech, at any rate in broad outline. But to-day it is not even touched upon. In such circumstances, it has seemed to me—and I hope the House will approve—that the only possible course that we in the Opposition can properly take is to attempt a very general review of the trend in Government policy as we understand it.

I do not propose this afternoon to touch upon foreign affairs. This may seem a little odd, for obviously—I think Lord Kershaw said this—it is the international position which is uppermost in all our minds. The position in Berlin seems to grow blacker and blacker with every day that passes. The Moscow talks appear to have yielded little or no result; and, in a more limited sphere, no one can be entirely happy about recent developments in Palestine. But I understand—and

I am sure that the Leader of the House will confirm this—that the Foreign Secretary proposes himself to make a statement on the foreign situation in another place next week. In view of this fact, I think probably it would be the more convenient plan that I should defer any remarks upon that subject until after he has spoken, when your Lordships will have had an opportunity to digest the Foreign Secretary's statement. It is my intention, therefore, to table a Motion of a general character on foreign affairs—possibly for Friday week—so as to enable the whole field to be covered. My remarks this afternoon, therefore, will be confined mainly to the domestic situation.

Before I come to that, however, there is one matter which I cannot allow to pass without comment, and that is the recent deplorable happenings in Hyderabad. Your Lordships will have read the news of the invasion of that State with a sense of severe shock. The Nizam is an old and faithful friend of this country. He has stood by us in fair weather and foul. Until the passage of the Indian Independence Act last year, he was our ally, and he would be our ally now if we had not unilaterally abrogated our Treaty of Alliance with him. Now we observe with grief his territories invaded by a neighbouring State. When the new Dominion of India was set up, we were assured that it would be actuated by a spirit of high idealism and that it would be inspired by the creed of non-violence of which Mr. Gandhi was a life-long apostle. Now we see this State, within a few months, conducting an armed invasion upon the territories of a neighbouring peaceful ruler. That is—and I am sure we shall all agree about this—a deplorable business.

What I want to ask is: What are His Majesty's Government doing about it? Have they protested to the Indian Government? Have they supported the appeal of the Nizam to the United Nations? They cannot absolve themselves from all responsibility—we none of us can—for this situation. In the debate on the Second Reading of the Indian Independence Bill on July 16 last year, the Secretary of State for India, Lord Listowel, referring in particular to the Indian States, said in your Lordships' House: "They will be entirely free to choose whether to associate with one or other of the Dominion Governments or to stand alone." It was in the light of that assurance that the Parliament of this country, and we in this House, passed that measure. Can anyone say that the Nizam is at present being given a free choice? It seems to me that the good name of the Government and, what is more, the good name of this country, is involved in the present happenings. I would like from the Government, if they can give it, an assurance—no more than that—that at any rate they will support any appeal that may be made by the Nizam to the United Nations for a full and impartial inquiry. I hope the noble Viscount the Leader of the House will be able to give us that assurance in his reply.

There is one other matter which I do not wish to discuss to-day, but about which the House will, I imagine, most certainly require some information, especially in view of the fact that the Government are, I understand, making a Statement this afternoon in another place. I refer to the question of National Defence. If in his reply the Leader of the House can give us some information on this question, we shall all be extremely grateful.

And now I would turn to our domestic affairs. It is, I think, a particularly appropriate moment for such an examination. The meetings of that very important body, the Trades Union Congress, have just been completed, and there have been other statements by Ministers to show which way their minds are working. Looking at the meetings of the Trades Union Congress, I feel that there is one thing at any rate of which we can be glad. The eyes of the Government, and of the more responsible trade union leaders, which have been so long concentrated upon the future—and the distant future—are apparently beginning to be focused more and more upon the present. They are evidently finding this process both difficult and rather painful. That is perhaps not surprising, for it is a well-known fact to all of us that long-sighted people find great difficulty in concentrating upon near objects. Those objects tend to be blurred and ill-defined. Generally, so oculists tell us, the remedy is to be found in a pair of spectacles, and I should strongly recommend to certain members of the Government—in particular Mr. Bevan, Dr. Dalton and Mr. Shinwell—a pair of pretty strong spectacles to bring them back to reality.

*LORD STRABOLGI* Have bifocals, and then we can take the long and the short view.



THE MARQUESS OF SALISBURY I am glad I carry the noble Lord so far with me. At any rate, it is clear that some members of the Government are trying to face the present. The Chancellor of the Exchequer, in particular, is making really valiant efforts, and perhaps that is what is making him so unpopular with his own Party. Others—and I would instance the Minister of Food, Mr. Strachey—are conscious that all is not well. In a speech which Mr. Strachey made at Sedgefield on the 4th of this month he said: “Although full employment has been achieved”—and I might say, in passing, that that is not, as he thinks, the result of Socialism, but is due to the fact that the world has been starved of goods for six long years and the Socialist Government, throughout the period of their power, have been in receipt of a dole from capitalist America—“there is still a long way to go.” The same note was sounded in the Prorogation Speech. That is in very different tone from the statements made by the Government at the General Election, when the British people were made to think that the millennium was just round the corner. But it still leaves open one question which I think we must all consider—and I include noble Lords opposite. The way before us may be hard, as the Prorogation Speech says; but are the Government going in the right direction? I do not question their sincerity—I do not think I have ever done so, in any speech I have made to your Lordships—but has excessive long-sightedness led them astray? Are they still wandering about, blinded by their ideological dreams, without any clear view of the proper road which is going to lead us out of our difficulties? Mr. Strachey was very incensed with the Tory Party for voicing these doubts, but they are doubts shared to-day by very wide sections of the population.

Nationalisation was to prove the cure for all our ills. Has it proved so in practice? And, what is much more important, does it show any indication that it is likely to prove so? It was to induce an entirely new spirit in the workers. Has it done so? The present Government have been in power with a great majority for three years. The conditions were ideal for the experiment. Have the results been all that they themselves expected? I find great difficulty in believing that they have. I read a flaming announcement the other day—I think it was September 7—that the Coal Board had made a profit of £1,000,000 in six months. That sounds pretty good, and I was glad that the word “profit” was given such admirable prominence. But when I examined the statement more closely, what did I find? This happy result was not mainly achieved by any increase in the productivity of the individual workman, nor by any improvement in the methods of administration; it was achieved by putting up the price against the consumer. That is a fairly easy method of ensuring a profit. First you create a monopoly of an essential material, then you use that monopoly to extract a steadily increasing price from the consumer of the product. It is quite easy—but if it had been done by a private industry it would not have been regarded as particularly reputable. Nor is it very wise, for ultimately it is bound to force up the cost of living—and that is exactly what is happening.

There still seems to be in the minds both of the Government and of the trade unions a fundamental misconception as to the relationship between the producer and the consumer. They are always regarded as different people; but in fact they are the same people. They are both producer and consumer; they are rather like those shot fabrics which appear a different colour according to the particular angle from which you look at them, but which are in fact the same material, woven into a single unity. The man who makes boots wears boots; the man who makes furniture uses furniture, and every time he, as producer, raises the labour costs of the individual article he produces he is putting up the price against himself as a consumer. That is the problem, or at any rate one of the major problems which the Government and the trade unions, and indeed all others, are up against. I understand, from reading the accounts of the meetings of the Trades Union Congress, that the Government are at long last trying to evolve a wage policy which will get over that difficulty. I say: Good luck to them in their efforts; we on this side of the House have been pressing for such a policy ever since the end of the War.

I remember a year or two ago getting into some considerable trouble with the noble Lord, Lord Lindsay of Birker (whom I am sorry not to see here today) because I said that under the Government's policy everything seemed to be controlled except labour; but now, the Government appear to me to be recognising—and I am glad to see it—this fatal defect in their policy. At the same time, I would beg of them no longer to hug the illusion that the remedy is to be found—as it seems to me Mr. Shinwell still tries to find it—in more and more nationalisation of industry. That fallacy

is surely already exploded, if not in the minds of the Government at any rate in the minds of the British people. Nor should they seek to find a remedy merely by imposing more and more controls.

Personally, if I may say a few words about controls, I have never believed that all controls are of themselves necessarily had. In certain situations they are, indeed, inevitable. It would be a great misfortune if this country became divided into two camps, one believing that all controls were morally wrong and the other that all controls were morally right. There is nothing so dangerous to the political stability and economic prosperity of a country than the creation of such false moral principles. I speak with deference in the presence of the noble Viscount, Lord Samuel, who can look back a great deal further than I can in the political sphere; but it seems to me that once before we in this country fell into that error—over tariffs. There was one great political Party—I am not speaking from a Party political viewpoint; I am not sure that I agree with the view which my Party took at that time—that held it as a moral principle that all tariffs were right, and another great political Party which believed with equal fervour that all tariffs were wrong; whereas, as we have now learned, the fact is that tariffs are a purely practical expedient—sometimes right and sometimes wrong. It would be a great pity if any of us fell into the same error about controls.

Above all, do not let us assume that controls are in themselves desirable. For one thing they are an intolerable nuisance, as we all know. They involve a multiplicity of forms, which take the producer and trader hours to fill up and are often quite valueless when they are completed. They are a perpetual brake on enterprise. There are millions of people to-day who are deterred from taking action which could easily be taken, without any danger to their fellow citizens, by the fact that they would be infringing some regulation and render themselves liable to some penalty. In any case, if we are to have controls, if controls are necessary, let them be broad and general, and not petty and niggling. Moreover, there is another great evil of controls which I suggest is particularly pernicious at the present time. They involve—and I say this with deference because I know there are members of His Majesty's Government who do not hold my views—the employment of vast numbers of officials, all of them, I am sure, hard working, patriotic people but in many cases unnecessary and unproductive.

The noble Lord, Lord Woolton, made this point in a speech only a day or two ago, and it seems to have annoyed one of His Majesty's Ministers—Mr. Shinwell,—very much. He riposted by saying that Lord Woolton himself appointed a number of officials when he was Minister of Food. Well, my Lords, when was that? It was at a time of desperate warfare, when every ounce of food that came into the country had to be brought through the submarine blockade. Are we to understand that Socialism means that siege conditions are to go on for ever and ever? I cannot believe that any noble Lord opposite really wants that. It would be a very melancholy outlook for our country. I was greatly shocked, therefore, to hear on the wireless last week that the number of civil servants is still going up. The figure which was given showed an increase of 20,000 in central Government officials during the last three months. I understand that the total number of officials in the service of the central Government is now 715,000 men and women; and, I believe I am right in saying that with local officials added, the number is over 2,000,000. Out of a population of about 50,000,000, including old people, children, and invalids, it seems to me that a proportion of that kind engaged purely on administration is a reckless expenditure of Unproductive labour—and at a time when we are told that shortage of labour is one of our most pressing problems.

I made this point a little time ago, when the noble Lord, Lord Pakenham was in the House. If I remember aright, in replying to a debate he said that a careful scrutiny had been made, and that no officials could be spared. No doubt, if one once admits the necessity for all these controls, that may possibly be true. But I would ask noble Lords, not only those on this side of the House, who may be regarded as biased, but noble Lords opposite, such as Lord Quibell and Lord Lucas, with experience of business: Do they really believe that all these controls are necessary?

Noble Lords will have seen the drastic action recently proposed by one of the new French Governments (there have been quite a number) to reduce the staffs of Government offices to 10 per cent. above the pre-war level. One must

recognise that so far-reaching a reduction as that requires great courage and resolution; and, indeed, in practice it proved too strong "meat" for the French people. It might be necessary to tackle a problem of this kind by stages, and not to make a violent cut of that kind all at once. But could not a start be made now? I do not mean by "sacking" these men and women, but could they not be released for more productive work?

We are all glad to see that leather footwear has been removed from the ration. I was delighted to see that. I hope that I shall now be able to buy a pair of boots! But I should be extremely interested to know from the Government what has been the result of this step up to now. I have taken the trouble to make some inquiries, and my information is that since footwear has been taken off the ration, there has been no increase in prices and no great increase in purchases. I understand that, as was perhaps natural when the control was taken off, there was an immediate rush to buy, but that rush lasted only a few days; and to-day the level of purchases is very much what it was when the control was on. The reason surely is that at the present time there is in existence an automatic control of consumption, resulting from high prices and heavy taxation. We all know about that. The man who used to go and buy three shirts cannot now buy more than one because it costs him far too much. The money that remains in his pocket after the Chancellor of the Exchequer has been at him does not permit him to buy in any large quantities. Therefore, the second control of coupons is not necessary for articles of that kind.

I am told that in the case of many of these commodities, there are very large stocks piling up at the present time. And, what is more important, the officials who are operating those controls—and there must be large numbers engaged upon such work—are wasting both their own time and their country's time. This is surely true also of many other commodities. That is a lesson which I hope the Government will take seriously to heart. Let them consider the result of removing the control upon leather footwear and let them see whether they could not take similar action in other directions, not so much to relieve the irritation of the citizens of Great Britain as to be in a position to transfer to more productive employment the officials who are operating that control.

I am afraid that I have spoken to your Lordships for a long time. I have tried to-day, so far as possible, to be not partisan or ideological, but practical and objective. The Government have stressed recently the necessity of maintaining level and real wages. We all share their view about that. Indeed, I think we should all like to see real wages increased, and we should also like to see a larger proportion of those wages find its way into the pockets of the people, and not be immediately taken away in taxation. We all realise the difficulties now involved in achieving this result immediately, by reason of the shortage of goods and the necessity of avoiding disastrous inflation. It is obvious that we must guard against that. But I suggest that the remedy for this dilemma is not by such devices as perpetually redividing the "cake" of existing national wealth. That gets one nowhere, as the Chancellor of the Exchequer proved conclusively in his speech to the Trades Union Congress on September 7. The size of the "cake" has to be increased, and that can be done only by more and more production. Nor is this likely to be achieved merely by altering the ownership of industry from private to public hands. I should have thought that that conclusion was already inescapable, after our experiences of the last three years. Our object must be to let individual effort fructify and interfere with industry only where the productive effort has been shown to be unsatisfactory. That was propounded as a governing principle of policy a year or two ago by the Lord President of the Council, and I should have thought that it was plain common sense.

The argument that I have advanced to-day may seem very elementary to put before so experienced and knowledgeable a body as your Lordships, but it has a vital bearing upon the purpose for which we have been called together for this special Session. It is an open secret that the reason why the Government have introduced the Parliament Bill at the present juncture is to facilitate the passage of a Bill to nationalise the iron and steel industry. Whether that amounts to a bargain between the Right and Left wings of the Labour Party is no doubt a matter about which there may be differences of opinion. However, the salient fact undoubtedly is that the British Constitution is being altered to ensure that this particular Bill becomes law within this Parliament. Strong hints to this effect have been given in various

speeches by the Minister of Health. I can think of no other reason, because there is no other important measure of an extremely controversial character which is likely to be introduced before the General Election.

In spite of what the noble Lord, Lord Kershaw, said, I imagine that it is far too late to ask the Government to reconsider their attitude over the Parliament Bill; for they have no doubt pledged themselves to their more extreme Left Wing supporters, and they do not feel able, even if they wished, to go back on that pledge. But, at any rate, there is still time for them to reconsider their attitude towards the nationalisation of the iron and steel industry. I read in yesterday's papers, as I expect did many of your Lordships, through an indiscretion of a Minister (which is now, I think, our normal method of becoming aware of the trend of Government policy), that the date for nationalising the industry has already been fixed. Therefore, presumably the scheme has been finally approved. But there must be many, both in the Government and outside, who feel serious doubts about the desirability of this proposal. I thought that those doubts were apparent even in some sections of the Trades Union Congress.

It will be a truism to say to your Lordships that in one respect the iron and steel industry is different from almost every other industry in the country, in that it provides the life-blood for innumerable other industrial activities. If anything goes wrong with iron and steel, the whole of our industrial and commercial life is atrophied. At the moment—and this I believe to be one of our few present causes for rejoicing—nothing is going wrong with the iron and steel industry. The total production of iron and steel is higher than ever before in the history of the industry. Production per man has been largely increased without a comparable rise in the price of the product, and I understand that the cost of production still remains below that of the United States and parts of Europe. The criterion laid down by the Lord President of the Council has, therefore, been entirely satisfied. What conceivable justification is there at this critical moment for causing such a disturbance as must inevitably be involved in entirely altering the ownership and control of this industry?

I know that it is the view of the Minister of Health—he has said it publicly—that it is too important an industry to be left in private hands. He is, of course, entitled to his view, as others of us are entitled to ours, but I would say to him: Is this the moment to risk the dislocation which is inherent in so vital and fundamental a change? I have little doubt that the view which I have just expressed—with, I hope, some clarity—is shared by more than one of Mr. Bevan's own colleagues. They have succeeded in postponing the introduction of this measure as long as they possibly could, and I shrewdly suspect that some of them would be more than a little relieved if your Lordships threw out the Bill. From their point of view this would have the double merit of preventing the Bill from becoming law, until at any rate so short a time before the General Election that it could not be put into force, and also of providing an excellent cry on the anti-House of Lords issue when the General Election does come. What this House will do with the Iron and Steel Bill when it comes before us, I do not know. That must depend upon the nature of the Bill. We have always said that we would consider every Bill objectively. But is this method of the Government really the way to conduct the affairs of this great country? If there are such serious doubts as to the wisdom of this proposal, ought not the Government to face up to the perils involved and postpone introduction of the Bill, at any rate until times become easier?

My Lords, in old days, when Ministers felt as some do now about legislation which was being introduced by the Government of which they were members, they would have resigned. But, judging by the death penalty controversy, resignation seems to have gone rather out of fashion. I do therefore most sincerely appeal to Ministers to give this matter further thought. They have a breathing space before the opening of the next Session at the end of October. Let them take advantage of this. Let them decide to eschew such dangerous courses, at any rate for the time being, and concentrate upon increasing the incentives to production by all sections of the community; and by this I mean not merely the manual worker but everyone, on a basis of free partnership. Let everybody be encouraged to give of his best in the way he is best fitted to give it. That surely is the only way in which we can really set our house in order before American assistance runs out and at long last we have to stand upon our own feet.

4.2 p.m.

VISCOUNT SAMUEL My Lords, your Lordships' House always listens with special interest to the speeches of the mover and seconder on the occasion of the Address in reply to the gracious Speech from the Throne. To-day we listened with interest heightened by curiosity, as the noble Marquess has said, to see whether the mover and seconder would succeed in observing the convention of non-controversial speeches in view of the highly controversial character of this brief Speech from the Throne. The noble Lord, Lord Shepherd, ingeniously took refuge in history. This House is supposed to be the home of the archaic and even of the senile, but it is safe to assume that a controversy of the year 1832 no longer arouses any very deep passions in any quarter of this House. Even when the noble Lord came to 1867 I saw no signs of excitement. And when he approached the present day he ended by paying a most gracious compliment to all Parties—to paraphrase the old saying, What was meant for Party he gave to mankind."

The noble Lord, Lord Kershaw, also was very ingenious in beginning with a warm compliment and paying a high tribute to the members of your Lordships' House for your magnificent qualities of character and of statesmanship. What could be less controversial than that? What could be more likely to arouse unanimous and hearty assent? In the end he deplored that the efforts at conciliation on the matter of the composition of the House have failed, and expressed the hope that they might again be renewed. Nothing would be more welcome to myself and to my noble friends, if that could be brought about; but it is in the hands of the big battalions and it is for them to decide. With regard to Lord Kershaw's speech, let me say in general that it was, as I am sure all your Lordships agree, one that has heightened a reputation already standing high.

The non-controversial speeches did not disguise the highly controversial character of the measure to which the gracious Speech refers. The holding of this Session is a very controversial matter. The substance of the Speech itself could not be more controversial. It contains in three lines as much hot material for controversy as the Speech usually would do in three pages. I confess that I doubt greatly whether it was worth while to hold a special Session of Parliament for this purpose alone. We have to-day seen the invoking of the pageantry of the Constitution, the display of the pomp and ceremony of the State, for this one little, formal piece of political procedure. It is rather like listening to a prelude by the full orchestra with organ, to introduce a solo on the penny whistle.

The noble Marquess, Lord Salisbury, has engaged in a general survey of the situation and touched upon many matters. No doubt that was to be expected, and was indeed right and proper from the Leader of the official Opposition; but no such obligation rests upon me, and I do not propose to encroach upon your Lordships' time by a similar survey. Indeed I regard this Session itself as an intrusion into the Parliamentary calendar—a kind of February 29 which has no business to be there at all. I prefer to wait for my survey of things in general, such as it might be, until next month, when there is the normal, usual and welcome opportunity for conducting such a general appreciation of the facts. If we were to refer to anything at length during this brief Session it would undoubtedly be the economic situation, because, apart from international affairs, that is the gravest matter to which Parliament could possibly devote its attention. Our deficiency in foreign exchange is still running, I believe, at a rate of the order of £1,000,000 a day. We are over-spending by £1,000,000 a day the amount we ought to spend upon foreign importations, and that is a matter to which Government and Parliament should devote earnest and constant attention. And it is quite impossible for Parliament to meet in any circumstances now without engaging upon a review of the urgent questions that arise from the international situation. That is arranged for. A debate will take place next week and it is undesirable that any of us should anticipate its nature.

There remains the Parliament Bill, the subject matter of the Session. That also will be discussed within a few days from now and that also could more properly be dealt with then than on this occasion. We know that the episode of the attempt to arrive at an agreement on the composition of the House is over and that it has failed. I see no present signs of its being possible to renew it. Therefore our hands on these Benches are free. We stand where we did before the

Conference was held and before the attempt was made, and when we come to the debate on the Bill I shall, after consultation (which I have not yet had an opportunity of holding) with my noble friends, indicate what course we shall take on that occasion.

The only matter which is not controversial and on which this House are unanimous to-day is in agreeing that the mover and seconder of the Address have acquitted themselves well. As for the merit of the policy which it was their business more or less to approve, that is not their fault. The sponsors are not to blame for the baby. The godparents cannot be held responsible for the infant's appearance and good behaviour. It is not the nature of their task but their performance of it with which we have been concerned, and if we have to condole with them on the one we can congratulate them on the other.

4.10 p.m.

THE LORD PRIVY SEAL AND PAYMASTER GENERAL (VISCOUNT ADDISON) My Lords, I should like, in the first instance, to associate myself with what the noble Marquess, the Leader of the Opposition, and the noble Viscount, Lord Samuel, have said as to the speeches of the mover and seconder of the Address. I confess that when I conferred with my noble friends some days ago on this subject and laid insistence on the importance of adhering to the well-established tradition that the speeches of the mover and seconder of the Address should, so far as possible, avoid controversial questions, I really felt, seeing that I myself was well acquainted with the contents of His Majesty's Speech at that time, that I was setting them an impossible task. The one sentence of the Speech which deals with the business of this Session relates to what is unfortunately a highly controversial matter. I sent them away with my prayers and good wishes, and I must say, speaking quite frankly as an old Parliamentarian, that in view of the difficulties of the topic and the many pitfalls into which they could have fallen, I think my noble friends have walked with remarkable circumspection and achieved considerable success. As I say, I would like to associate myself most sincerely with what both noble Lords opposite have said as to the way in which the mover and seconder have discharged their exceedingly delicate task.

I do not propose to deal at any length to-day with the topic which is mentioned in the King's Speech, but I would like to say that whilst, in my heart, I sympathise with the regret about our holding this Session, to which the noble Viscount, Lord Samuel, gave expression in such felicitous phrases, having regard to the practical issues and political realities, it was necessary to have this Session to deal with the matter which is before us in regard to the provisions of the existing Parliament Act. That is the reason for our holding this Session now, and, so far as that subject goes, the only reason. Noble Lords who have spoken are well experienced in political matters, but we on these Benches do not see this as "a purely political manœuvre"—I am quoting the words of the noble Marquess. No, my Lords, it is a political necessity. But we will deal further with that matter later when it comes before the House. Meanwhile, I think that my noble friend, Lord Kershaw, dealt in a most attractive and felicitous way with the subject of the big battalions that loom behind the Front Bench opposite, and which to the knowledge of the noble Marquess and to my own unfortunate consciousness have made their existence felt on a number of occasions.

THE MARQUESS OF SALISBURY You are not doing away with them, all the same.

VISCOUNT ADDISON Well, I am sure the noble Marquess will be willing to admit that that is due to no fault either of myself or my colleagues. We were not allowed the opportunity of doing so. In that part of our endeavour we were not successful.

I think it will be right before I come to the main part of the noble Marquess's speech if I deal with two very important matters upon which he asked for some statement. First, I would refer to the very unfortunate state of affairs in Hyderabad. I will not trouble your Lordships with an account of the history of the dispute between India and Hyderabad. That was dealt with, as your Lordships are aware, by the Prime Minister himself, a few weeks ago, but I

would like to say how much His Majesty's Government deplore the situation that has arisen in Hyderabad. We have consistently urged moderation on all parties, and as my right honourable friend, the Prime Minister, said in the speech to which I have referred: "We are hoping for a settlement of this matter, and, of course, we have consistently urged on all parties in India—and that does not apply only to Hyderabad, it applies to other parts of India too—that on neither side should there be pressure." The House will remember that there is or was a standstill agreement under which the Nizam handed over the external relations of his State to the Government of India. This being so, during the duration of that agreement we could not act on the suggestions that were made to us that we ourselves should intervene. In any case, intervention by us was not likely to be successful unless it was acceptable to both parties. But we offered mediation if both parties were agreeable to our mediating. The situation has been covered by that standstill agreement under which the Government of India is responsible for the external relations of the State of Hyderabad. A week or two ago Hyderabad referred this matter to the Security Council and has since requested that it should be dealt with as a matter of urgency. It will, however, of course be for the Council themselves to determine what they shall do. I should like, however, emphatically to repudiate the suggestion, which has been made by some, that His Majesty's Government have taken any steps whatever to prevent Hyderabad's appeal going to the United Nations. We have not done so. I find it difficult to say more except to explain that the President of the Security Council has already summoned the Council to meet to consider the message from the Government of Hyderabad, and the Secretary-General has circulated it to the members. As to what action will be taken when the Security Council meet, I am afraid that I can go no further at this moment than to say that the matter will be dealt with in accordance with the usual principles and practices. I am sure we should all welcome a full examination and settlement of this difficulty, if the Security Council can settle it.

THE MARQUESS OF SALISBURY I am most grateful for the full account which the noble Viscount the Leader of the House has given us of this matter. Of course, he well realises what great anxiety exists on this question. I understand that the special position created by the standstill agreement made it difficult, in the view of His Majesty's Government, for them to take action in a mediatory capacity.

But we are members of the Security Council. I do not know whether, when this matter is considered, it will go to a vote or not; but it may. All I asked was that if the Nizam requested a full and impartial inquiry, as I understand was the case, the Government should support his request. There could be no question of His Majesty's Government taking one side or the other, if indeed they felt embarrassed about that. They would merely be fulfilling what I believe to be the proper function of a member of the Council, to see that the matter is properly examined. I am sorry the noble Viscount the Leader of the House cannot give me an assurance on this point, but I hope he will bring the matter again very urgently before his colleagues. In the circumstances, the least we can do is to use what influence we have, as members of the Council, to obtain a full and impartial inquiry.

VISCOUNT ADDISON I welcome the intervention of the noble Marquess. I have not the precise form of the application before me, and at the moment I am afraid I cannot go further than I have done, but I am sure that we are just as anxious as the noble Marquess that the matter should be fully investigated and dealt with. I hope that a settlement will be achieved, as I believe it can be. Further than that I cannot go at the present time.

The other question put to me by the noble Marquess was on the position of the defence of the country. I must ask the House to bear with me whilst I do something which to me is very unusual—namely, to read what I am going to say; but this statement has been very carefully prepared and will also be read this afternoon in another place. Here it is:

"The Foreign Secretary will be reviewing the international situation next week, but the House will have appreciated from the public Press that there is tension in many parts of the world, and that, despite all the efforts being made to reach a solution of the many problems which have arisen as a consequence of the late war, the position gives rise to anxiety. Since the middle of 1945 we have been operating a planned and orderly demobilisation of our war-time

Forces. This was strongly demanded on all sides of the House and was dictated both by our obligations to those who were serving in the Forces and by our economic situation. But it was clear that this plan involved certain risks. In any process of demobilisation after a great war, there is bound to be a certain lack of balance owing to the rapid outflow of skilled personnel and the slow build-up of trained cadres to take their place. In the circumstances then existing, the Government felt justified in accepting those risks. Unhappily, the state of the world makes some change of plan inevitable, and in the present circumstances the Government have no choice but to take certain precautionary measures.

They have therefore decided that all National Service men due for release in the next few months, who have not left their units for release by to-day, must be retained for a period of three months beyond the date on which, according to the existing arrangements, they would have been released. There is no other method by which the Armed Forces could meet the commitments they now have; in this way alone can the loss of trained men be halted. Releases in Class B and on compassionate grounds will not be affected. The position will be kept under constant review in the light of the current international situation. As a result of this action the strength of the Forces at the end of this year will be about 80,000 greater than it would have been had the planned programme continued, the increase being in trained personnel who in present circumstances are the real need.

The Government very much regret having to take this step, which involves a revision of the release arrangements set out in the White Paper on the Call-up to the Forces in 1947–48 (Cmd. 6831 of May, 1946). It was made plain in the White Paper that unforeseen circumstances might lead to a revision of the estimates on which the arrangements were based, with a consequent variation in the arrangements themselves. The retention of National Service men with the Colours is not the only measure we are taking to strengthen our Defence Forces. The House is aware of the general plan on which we have been working. The first need is to stimulate the recruitment of our Regular Forces which are essential for carrying out immediate duties and for providing the trained cadre for the Reserve and Auxiliary Forces and for the National Service intake. Every effort will be made to accelerate the rate of recruitment.

It is also essential that the Auxiliary Forces which are vital to our defences should be brought up to strength as soon as possible. In the case of the Army, the need is to have in existence cadres of trained men ready to receive the men called up under the 1947 National Service Act after they have completed their full-time service. The key position which the air defence units and fighter squadrons hold in the defence of the country and the importance of being able to defend our sea communications make it no less important that we should bring the Royal Auxiliary Air Force and the Royal Navy Volunteer Reserve up to strength. A special recruiting campaign for the Auxiliary Forces of all three Services is on the point of being started to enable these necessary reinforcements of our defences to be achieved. The Government count on the firm support of all who have standing and influence, not least from the Members of this House, to secure the success of this campaign, and the Government would ask especially for a generous response from all who are in a position to give their services and for the fullest possible co-operation from employers.

The strengthening of the Armed Forces must have repercussions in the field of supply. Up to now the Forces have been relying for their current needs largely on war-time stocks. These stocks are becoming depleted, and some items are already obsolete. We must, therefore, accelerate the improvement of the equipment position especially in the fields of air defence, armour and infantry weapons. The overhaul of stocks of war-time equipment has also been speeded up, and the Service and Supply Departments are increasing their man-power for this purpose. In regard to aircraft, we have to meet not only our own production needs but also those of other countries, including the members of Western Union, who are using British types. Extra work is required in some factories, and we are adopting measures that will nearly double the present rate of output of certain fighters. At the same time older types of fighters in store will be reconditioned.



The House will expect me to say a word on Civil Defence. In these days preparedness in this field must be an integral part of our general defence arrangements. Considerable progress has already been made with plans for assisting the population, for the reorganisation of the Civil Defence services and with the preparation of any legislation that may be necessary. The House, I am sure, realises that defence policy must depend on world conditions. It must, therefore, be subject to review from time to time in the light of changing circumstances. The measures which I have announced are rendered necessary by the immediate demands on the resources of the Armed Forces; the Government will, of course, continue with their review of long-term defence policy. Whilst the measures we are taking will have some effect upon our economy they will, we hope, not be such as to jeopardize in any way our recovery. Our task has been to maintain a fair balance between our needs in the defence field, on the one hand, and of the broad national economy on the other."

I must apologise to the House for the length of that Statement, but your Lordships will recognise its importance.

VISCOUNT BRIDGEMAN Before the noble Viscount sits down, could I ask him to make clear one point? If I understood him rightly, he said that under the present proposals National Service men would be retained at the end of the year for three months longer than they would otherwise have been. Does that mean that at the end of the year those National Service men who would otherwise have been serving for one year only, under the present scheme, will now be retained for fifteen months?

VISCOUNT ADDISON I hesitate to answer without notice the highly technical details, but it does mean the deferment for three months of the release of men who stand to be released within the next three months. It means that they will serve three months longer. Beyond that I would not like to go without notice. I understand we are to have a discussion on this matter, probably next week, when we shall be able to deal with the details.

THE MARQUESS OF SALISBURY I was going to raise that point. It seems clear that this is a very technical and important statement. It is probable that the House would wish to have a discussion on it next week, and perhaps we might leave all these matters to be elucidated then.

VISCOUNT ADDISON I am obliged to the noble Viscount for his intervention. When I conclude, I will give the House an outline of our future proceedings.

Now let me turn to the rest of the noble Marquess's speech. I do not feel overmuch disposed to be tempted by the noble Marquess opposite. He had the opportunity of a good innings, and he took it. I do not complain at all. It was the kind of batting that I expected, but, quite frankly, I do not think he scored many sixes. Before the House rises, we shall have an opportunity of discussing some of these issues, and I will not anticipate what may be said. I would like, in general, to make just one comment on the speech of the noble Marquess, because he has been tempted into this path before. Clearly he would have us think that we of the Labour Party expected that the nationalisation of industry would be a success next week. I would like to disabuse his mind of that impression. That was never in our minds at all. For example, when coal nationalisation was brought about we never expected that within a few months or a year we should make good the neglect and deficiencies of this industry, which have been a standing disgrace for more than a generation. I do not know whence the noble Marquess gets his idea that we expected it to be a success within a few months.

THE MARQUESS OF SALISBURY It is only the idea which the British people got at the General Election from the speeches of the members of the Labour Party.

VISCOUNT ADDISON I do not accept that at all. I do not think the British people got any such ideas into their heads. The British people are extraordinarily sensible, and they know very well that when we take in hand a proposition like the nationalisation of the coal industry—an industry which has been condemned by one Royal Commission after another for many years—we could not put matters right straight away. Certainly that anticipation was never held out

by any responsible representative or leader of the Labour Party. We know it will take a long time. It is exceedingly difficult. Perhaps after twenty years or so the noble Marquess will be as enthusiastic a supporter of the nationalisation of the coal industry as he is now its sincere opponent. He will then see how successful it has come to be. It is like many other things. For instance, I remember the stabilisation of prices. It is not so long ago that I myself went to a meeting at which I talked about the stabilisation of prices and was told that I had not a friend at the meeting. Now everybody agrees with it; in fact, the noble Earl, Lord De La Warr, in one or two of his speeches has almost suggested that he thought of the idea first. I have no doubt that before long, when those who are responsible for dealing with the coal industry, for example, have overcome the neglect of many years, have made decent tracks under the ground and installed proper equipment into the collieries, and done everything that is necessary, we shall all say what a sensible thing it is.

THE MARQUESS OF SALISBURY Probably by that time the British people will pay double what they are paying for coal, and that is how it will be done.

VISCOUNT ADDISON On that I would not like to be so confident a prophet as the noble Marquess. It is true that it is rather costly at present, and I do not seek to deny it. However, we shall get round that after a while. I believe that this system is going to succeed. In fact, it was the only way out; there was nothing else to do about it. We shall make many mistakes and have lots of troubles, but we shall come through them all right. I feel sure that then we shall have cheaper coal and much more of it.

The noble Marquess had another short innings on the question of Government control, on which I have heard him before. But I suspect that he has changed his attitude a little, because he did admit that there might be some use for some control.

THE MARQUESS OF SALISBURY I have never taken any other view.

VISCOUNT ADDISON I have the impression that sometimes the noble Marquess's condemnations have been much louder than his appreciations and, therefore, that he did not like controls at all. However, I am glad to have that admission. I am not so apologetic about the number of officials as is the noble Marquess. Of course we ought not to have more than we can avoid. I do not know at this moment (I did not receive notice of the question) as to whether or not any people have been dispensed with as a result of the abandonment of the control on shoe leather. I am afraid I cannot answer the question. I expect there will have been some reductions of staffs, but as to how many I do not know, and I should require notice before I could give a reply. Wherever officials can be dispensed with, of course, they ought to be dispensed with.

But let us look at this matter of staffs engaged in socialised industries. If the State, whether rightly or wrongly, takes on the responsibility of running an undertaking, it has to employ people to do it. There is no way of getting away from that, and I do not apologize for it. For example, I would remind noble Lords that the Ministry of Food must have a number of agents of one sort or another. I remember a meeting I had in the county of Norfolk. It was an open air meeting in a market town. After I had made my speech I was assailed by a volley of questions. There was a semi-circle of gentlemen in front of me who were particularly insistent with their questions, and it began to dawn upon me as to who they were. After I had answered questions for about an hour, I said: "Well, we are all Englishmen together, and we are all fair. You have asked me a lot of questions, now may I ask you one?" Of course they agreed. They had been bombarding me with questions for quite an hour. I said: "I will ask you all the same question." An expression of misgiving crept into their faces when I said that. I began: "What is your occupation, sir?" That man was a dealer. What was the next man? He was a man who had come to sell fertilisers or something in the market. I went round the whole semi-circle, and it was exactly as I expected—there was not one out of the whole lot who produced anything. They were all dealers, middle-men or something of that kind, in one form or another. They were the officials of private

enterprise; that was the only difference. No doubt a great many of those gentlemen are now much more usefully employed in producing something.

Do not let us get it into our heads, however, that because a socialised undertaking employs a certain number of people they are necessarily an addition to the number of people who are not actually producers. They are probably displacing others. The system which we have seen working for so many years was certainly encumbered with hosts of officials, or agents of one sort or another, in various layers superimposed upon one another between producer and consumer. They were all officials, but they were not called officials. They are the kind of people we have to bear in mind when we are talking about the exercising of these various controls. I am not always inclined to be apologetic simply because I am confronted with the fact that there are more people employed as officials of the Coal Board, or whatever it is. I think it is fair to say that we must examine these matters on their merits. Nevertheless, I do not complain of the admonition of the noble Marquess. It only impresses upon us the necessity of doing these things as efficiently as we can, and of getting rid of any unnecessary burden of officials, so far as it is a burden.

There is one other comment I would like to make, to which the noble Marquess did not refer. He referred to the discussions at the Trades Union Congress, and between them and the Government, as to increased production and, inter alia, the desirability of not inflating our costs of production by unnecessary rises in wages. I would like to point out that there seems to be general agreement amongst people who have investigated these matters—and certainly my own experience justifies it to the full—that it is not necessarily an increase of wages which is going to give an increase of production. Very often it is an improvement in the methods and an improvement in management. We have to do everything we can to improve production by improving our methods.

THE MARQUESS OF SALISBURY I would entirely agree with that; I have no criticism of that at all. I did not say that I was against an increase in wages. The point I made was that where the labour costs of an individual article are increased, then the man who has produced it does not necessarily benefit because, in his character as consumer, he has to pay more for the thing he has produced himself.

VISCOUNT ADDISON I accept that, but it is rather a dangerous doctrine the noble Marquess is formulating. If we look into it too closely, that could be raised as an objection at any time to any body of men who wanted an increase in wages, and I am sure the noble Marquess would not want to use it in that sense. We have seen many cases of firms who pay very high wages, but it is made possible by the improvement in the machinery, in the method and in many other ways. I hope that we shall not look at this necessity for increased production purely from the point of view of what is paid in terms of wages or labour costs. I myself believe there is much more to be achieved by improving our methods of production all round, which may be consistent with the payment of a higher wage. That is the method which I am glad to know the Trades Union Congress and the Federation of British Industries, in common with us, are heartily willing to pursue, because we all recognise that it is absolutely vital to our recovery.

We shall have before us very soon some Papers on this matter, and I am glad to be able to tell the noble Marquess that they show a substantial improvement. The gap in our trade balance is diminishing, and I hope will continue to diminish still further. I can say that the Papers will show that there has been a very substantial improvement in our position with regard to the balance of payment; and with regard to production, and we shall have an opportunity of considering them.

There are one or two other items which I think I should mention before I sit down. The first is to give your Lordships a statement on Business. We expect another place to conclude their proceedings on the Parliament Bill next Tuesday evening. To-morrow and Thursday there will be discussions in this House on Motions that will appear on the Order Paper. To-morrow (Wednesday), there will be a Motion affecting West Africa, in the name of the noble Lord, Lord Rennell, and on Thursday a Motion in the name of the noble Earl, Lord De La Warr, on questions of food production generally. The House will adjourn next Thursday evening until the Wednesday following, because we shall not receive

the Parliament Bill until that time. We hope then to receive the Parliament Bill from the House of Commons, and if noble Lords wish it I hope we shall be able to provide time that day for a discussion on Defence issues. On Thursday of next week, I trust it will be agreed that we deal with the Parliament Bill. I am saying this in the anticipation that it will be dealt with summarily in this short intervening Session. If that is so, then on Friday, September 24 we shall meet to discuss foreign affairs. Unfortunately it must be on a Friday, because the Foreign Secretary will not be able to make his full statement in the House of Commons until Wednesday of next week. As we shall be dealing with the Parliament Bill on Thursday, I am afraid Friday will be the first convenient opportunity for a discussion on foreign affairs. That being so, I hope your Lordships will agree that, in view of the great importance of the subject, it is desirable that we should meet earlier than our usual hour. It is proposed, therefore, that on Friday of next week the House should meet at 11 o'clock.

THE MARQUESS OF SALISBURY I am in entire agreement with the programme proposed.

VISCOUNT ADDISON I am obliged to the noble Marquess for expressing his concurrence with that programme. There will be two small matters with which I shall have to deal after the business which is before us is concluded, but I must defer mention of them until we have disposed of the business. I do not think your Lordships will wish to prolong into a general discussion the very narrow subjects before us in the gracious Speech from the Throne; I have transgressed only so far beyond them as to make the Statement I was asked to make on Hyderabad and my Statement on Defence; and I hope in just a few sentences to make some animadversions on the noble Marquess's castigation of His Majesty's Government. Having done so I hope your Lordships will be willing now to allow this discussion to be concluded and to agree that the Lord Chancellor should now put the Question which is before your Lordships' House.

THE MARQUESS OF SALISBURY May I say just one word regarding the Defence debate? We have two debates next week, one on Foreign Affairs and the other on Defence. They are closely related, and I think it would be a pity if your Lordships allowed the Defence debate, which comes before the Foreign Affairs debate, to overlap too far into the Foreign Affairs sphere. I hope noble Lords will, so far as they can, confine themselves to the issues immediately before them.

VISCOUNT ADDISON I am exceedingly grateful to the noble Marquess for that warning. It would be most undesirable and premature to have two debates on Foreign Affairs. It is true that the one subject is closely related to the other, but there are so many technicalities—with which the noble and gallant Viscount on the Front Bench is much better acquainted than I am—in this Defence question, and the issues which it will raise, that there is abundant material there for a very profitable discussion. I therefore hope that your Lordships will bear in mind what the noble Marquess has said, and will confine that debate, so far as is humanly possible, to the issues arising out of the Defence proposals.

*On Question, Motion agreed to nemine dissente; the said Address to be presented to His Majesty by the Lords with White Staves.*